

TABLE 4

Mar-04

TOTAL DIRECT LOAN PROGRAMS, March 2004 Baseline

	(by fiscal year)											
	2003 Preliminary	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TOTAL ALL NEW LOANS [New Direct Loans Only] a/												
Net Annual Loan Volume (Mil \$)	11,449	12,854	13,882	14,424	14,890	15,428	16,096	16,781	17,557	18,433	19,418	20,463
Net Number of Loans (000)	2,831	3,099	3,265	3,321	3,355	3,403	3,479	3,552	3,637	3,735	3,847	3,962
Average Loan Amount	\$4,045	\$4,149	\$4,251	\$4,343	\$4,438	\$4,533	\$4,626	\$4,724	\$4,827	\$4,935	\$5,047	\$5,165
Subsidy Rate b/ c/ d/	-15.05%	-8.57%	-3.08%	-2.40%	-3.01%	-3.19%	-3.41%	-3.62%	-3.84%	-4.05%	-4.27%	-4.50%
SUBSIDIZED STUDENT LOANS [New Direct Loans Only]												
Net Annual Loan Volume (Mil \$)	5,566	6,160	6,511	6,645	6,729	6,829	6,961	7,094	7,251	7,435	7,648	7,857
Net Number of Loans (000)	1,544	1,684	1,764	1,786	1,796	1,812	1,838	1,864	1,896	1,934	1,979	2,024
Average Loan Amount	\$3,606	\$3,657	\$3,690	\$3,720	\$3,746	\$3,768	\$3,787	\$3,806	\$3,825	\$3,844	\$3,864	\$3,883
Subsidy Rate b/ c/ d/	-5.55%	0.68%	5.93%	7.00%	6.85%	6.87%	6.87%	6.87%	6.86%	6.86%	6.85%	6.83%
UNSUBSIDIZED STUDENT LOANS [New Direct Loans Only]												
Net Annual Loan Volume (Mil \$)	4,302	4,894	5,322	5,581	5,769	5,947	6,163	6,371	6,608	6,878	7,182	7,507
Net Number of Loans (000)	1,083	1,192	1,263	1,293	1,311	1,332	1,367	1,399	1,437	1,481	1,532	1,586
Average Loan Amount	\$3,974	\$4,105	\$4,215	\$4,315	\$4,401	\$4,466	\$4,509	\$4,553	\$4,598	\$4,642	\$4,688	\$4,733
Subsidy Rate b/ c/ d/	-24.73%	-16.40%	-9.87%	-9.28%	-10.09%	-10.06%	-10.07%	-10.07%	-10.08%	-10.09%	-10.11%	-10.13%
PARENT LOANS [New Direct Loans Only]												
Net Annual Loan Volume (Mil \$)	1,581	1,800	2,048	2,198	2,392	2,652	2,972	3,316	3,697	4,120	4,588	5,098
Net Number of Loans (000)	204	222	238	241	248	259	274	289	304	320	336	352
Average Loan Amount	\$7,741	\$8,105	\$8,590	\$9,102	\$9,646	\$10,222	\$10,832	\$11,479	\$12,165	\$12,891	\$13,661	\$14,477
Subsidy Rate b/ c/ d/	-22.12%	-18.95%	-14.07%	-13.35%	-13.67%	-13.67%	-13.67%	-13.67%	-13.67%	-13.67%	-13.67%	-13.67%

a/ Totals exclude consolidation loans.

b/ The subsidy rate is the net present value of the future federal cash flows associated with the loan dollars disbursed to borrowers each year. For example, the 2004 federal cost associated with the \$12,854 million in new loan volume would be -\$1,101 million or -8.57% of the new loan volume [$\$12,854 \times -.0857 = -\$1,101$]. Another way to look at the cost of the loan programs is that overall it will save the federal government on average about 9 cents for each new dollar loaned in 2004.

c/ The subsidy rates for direct loans DO NOT include any federal administrative cost associated with disbursing and collecting the loans. Those costs are included on a cash basis in another budget account.

d/ The subsidy rates were calculated using the CBO January 2004 interest rate forecast. These rates would be different if other forecasts are used.